

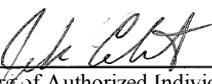
In Re: Cinram Operations, Inc.

Case Number: 17-15259 (VFP)

MONTHLY OPERATING REPORT
For the Period July 1, 2018 through July 31, 2018

| REQUIRED DOCUMENTS | Form No. | Document Attached | Explanation Statement |
|--|----------|-------------------|-----------------------|
| Schedule of Cash Receipts and Disbursements | MOR-1 | X | |
| Bank Reconciliation (or copies of debtor's bank reconciliations) | MOR-1a | | X |
| Schedule of Professional Fees Paid | MOR-1b | X | |
| Copies of bank statements | | | X |
| Cash disbursements journals | MOR-1c | X | |
| Statement of Operations | MOR-2 | X | |
| Balance Sheet | MOR-3 | X | |
| Status of Postpetition Taxes | MOR-4 | X | |
| Copies of IRS Form 6123 or payment receipt | | | |
| Copies of tax returns filed during reporting period | | | |
| Summary of Unpaid Postpetition Debts | MOR-4 | X | |
| Accounts Receivable Reconciliation and Aging | MOR-5 | X | |
| Debtor Questionnaire | MOR-5 | X | |

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.


Signature of Authorized Individual

8/2/18

Date

Joseph Catalano
Printed Name of Authorized Individual

Secretary
Title of Authorized Individual

Notes:

The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and is subject to future adjustment. Certain assumptions have been made as noted herein. The unaudited consolidated financial statements presented herein have been derived from the Debtors' books and records. Certain financial information, however, has not been subject to procedures that would typically be applied to financial information presented in accordance with US GAAP, and upon the application of such procedures, the Debtors believe that the financial information could be subject to further changes, and these changes could be material. Nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their Chapter 11 Proceedings, including, but not limited to, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of Title 11 of the United States Code (the "Bankruptcy Code") and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In Re:
Cinram Operations, Inc.

Chapter 11
Case Number: 17-15259 (VFP)
Jointly Administered

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

| | <u>7/1/18</u> | <u>Cumulative</u> |
|--|----------------|-----------------------|
| | <u>7/31/18</u> | <u>Filing to Date</u> |
| <u>Receipts</u> | | |
| Cash Sales | - | - |
| Asset Sales | - | - |
| Rental Income | - | - |
| Intercompany transfer | 20,000 | 430,000 |
| Other | - | - |
| Total Receipts | 20,000 | 430,000 |
| <u>Disbursements</u> | | |
| Rent | - | - |
| Utilities | 16,627 | 152,122 |
| Repairs and Maintenance | 3,959 | 63,936 |
| Capital Expenses | - | - |
| Payroll (1099) | - | - |
| Taxes | - | 183,702 |
| Insurance | - | - |
| Worker's Comp | - | - |
| Miscellaneous | - | 250 |
| Total Operating Disbursements | 20,586 | 400,009 |
| Loan Paydown | - | - |
| Cash Interest | - | - |
| Loan Fees | - | - |
| Deposits | - | - |
| Bank Fees | 49 | 1,160 |
| Professional Fees | - | 7,010 |
| Board Fees | - | - |
| GUC Escrow | - | - |
| UST Fees | 650 | 4,550 |
| Total Non-Operating Disbursements | 699 | 12,720 |
| Total Disbursements | 21,285 | 412,730 |
| Net Cash Flow | (1,285) | 17,270 |

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEYIn Re:
Cinram Operations, Inc.Chapter 11
Case Number: 17-15259 (VFP)
Jointly Administered**MOR-1a****Debtor's Statement with respect to Bank Account Reconciliations and Bank Statements
For the Period July 1, 2018 through July 31, 2018****Bank Account Reconciliations**

The Debtor affirms that bank reconciliations have been prepared for all open and active bank accounts to the Debtor's books as of July 31, 2018 without exception, and are available upon request.

Bank Statements

Bank statements for all open and active bank accounts are retained by the Debtor and are available upon request. The Debtor's bank accounts and balances are as follows:

| Bank | Account Number | 7/31/18 |
|--------------------------------|----------------|-----------|
| Chase Bank - Operating account | xxxxxx3162 | 20,220.11 |
| Chase Bank - Utility Escrow | xxxxxx3360 | 4,625.00 |
| | | |
| | | |
| | | - |

| | |
|------------|-----------|
| Total Cash | 24,845.11 |
| MOR-1A | |

MOR-1a

In Re:
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Professional Fees Paid

July 1, 2018 - July 31, 2018

| Professional | Amounts Paid This Period | | | Cumulative Paid Since Petition Date | | |
|---|---------------------------------|-----------------|--------------|--|-----------------|--------------|
| | Fees | Expenses | Total | Fees | Expenses | Total |
| Appraisal Group International | - | - | - | 7,010 | - | 7,010 |
| Total Professional Fees and Expenses | - | - | - | 7,010 | - | 7,010 |

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In Re:
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CASH DISBURSEMENTS JOURNALS
For the Period July 1, 2018 through July 31, 2018

| Payor | Date | Payee | Amount Paid | Category | Payment type | Check no. |
|-------------------------|---------|-----------------------|-------------|------------------------|--------------|-----------|
| Cinram Operations, Inc. | 7/6/18 | Adeco | 362.60 | Repair and Maintenance | Check | 1283 |
| Cinram Operations, Inc. | 7/6/18 | Godwin Landscaping | 2200.00 | Repair and Maintenance | Check | 1284 |
| Cinram Operations, Inc. | 7/13/18 | Adeco | 290.08 | Repair and Maintenance | Check | 1285 |
| Cinram Operations, Inc. | 7/13/18 | City of Tuscaloosa | 521.04 | Utilities | Check | 1286 |
| Cinram Operations, Inc. | 7/13/18 | City of Tuscaloosa | 91.09 | Utilities | Check | 1287 |
| Cinram Operations, Inc. | 7/16/18 | Bank Fee | 49.40 | Bank Fees | Wire | W20180716 |
| Cinram Operations, Inc. | 7/23/18 | Adeco | 217.56 | Repair and Maintenance | Check | 1288 |
| Cinram Operations, Inc. | 7/23/18 | Alabama Power | 3405.62 | Utilities | Check | 1289 |
| Cinram Operations, Inc. | 7/23/18 | Alabama Power | 4265.02 | Utilities | Check | 1290 |
| Cinram Operations, Inc. | 7/23/18 | Global Fire Sprinkler | 100.00 | Repair and Maintenance | Check | 1291 |
| Cinram Operations, Inc. | 7/23/18 | Spire | 15.63 | Utilities | Check | 1292 |
| Cinram Operations, Inc. | 7/24/18 | US Trustee | 650.00 | US Trustee Fees | Check | 1293 |
| Cinram Operations, Inc. | 7/26/18 | Alabama Power | 99.30 | Utilities | Check | 1294 |

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In Re:
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Chapter 11
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Cinram Operations, Inc. Statement of Operations
July 1, 2018 - July 31, 2018

| | <u>7/1/18</u> | <u>Cumulative Filing to Date</u> |
|---------------------------------|-----------------|--------------------------------------|
| | <u>7/31/18</u> | |
| Net Sales | - | - |
| COGS | - | - |
| Gross Margin | - | - |
| Payroll (1099) | - | - |
| Payroll Taxes and Benefits | - | - |
| Facility Maintenance | - | - |
| Rent | - | - |
| Insurance | - | - |
| Supplies | - | - |
| Repairs and Maintenance | 3,170 | 63,936 |
| Utilities | 8,398 | 152,122 |
| Trash Removal | - | - |
| Marketing | - | - |
| Security | - | - |
| Admin | - | - |
| Travel & Entertainment | - | - |
| Employee Procurement | - | - |
| Purchased Services | - | - |
| Professional Fees | - | 7,010 |
| Board Fees | - | - |
| US Trustee Fees | 650 | 4,550 |
| Cash/Banking Fees | 49 | 1,160 |
| Overhead Allocation | - | - |
| Other Expenses | - | 250 |
| Taxes | - | 183,702 |
| Interest Expense | - | - |
| Depreciation & Amortization | - | - |
| Reorganization Items | - | - |
| Total Operating Expenses | 12,267 | 412,730 |
| Net Income (Loss) | (12,267) | (412,730) |

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In Re:
Cinram Operations, Inc.

Chapter 11
Case Number: 17-15259 (VFP)
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**Cinram Operations, Inc. Balance Sheet
as of Month End
in (000's)**

| | <u>July 31, 2018</u> |
|--|----------------------|
| ASSETS | |
| Cash & Equivalents | \$ 25 |
| Merchandise Inventory | - |
| Inventory Reserve | - |
| Prepaid Merchandise | - |
| Accounts Receivable | - |
| Other Current Assets | - |
| Current Assets | 25 |
| Fixed Assets | - |
| Accumulated Depreciation | - |
| Asset Impairment | - |
| Property & Equipment, Net | 7,500 |
| Goodwill | - |
| Intangible Assets | - |
| Other Assets | - |
| Total Assets | \$ 7,525 |
| LIABILITIES | |
| DIP Financing | - |
| Expense Payables | - |
| Other Payables | - |
| Accrued Expenses | - |
| Transaction Fee Payable | - |
| Current Liabilities | - |
| Liabilities Subject to Compromise- Secured | - |
| Liabilities Subject to Compromise- Unsecured | 7 |
| Long-Term Liabilities | 7 |
| Total Liabilities | 7 |
| EQUITY | |
| Stock | - |
| Retained Earnings | 7,518 |
| Total Equity | 7,518 |
| Total Liabilities & Equity | \$ 7,525 |

In Re:
Cinram Operations, Inc.Chapter 11
Case Number: 17-15259 (VFP)
Jointly Administered**STATUS OF POSTPETITION TAXES**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
 Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
 Attach photocopies of any tax returns filed during the reporting period.

As of July 31, 2018

| | Beginning Tax Liability | Amount Withheld or Accrued | Amount Paid | Date Paid | Check No. or EFT | Ending Tax Liability |
|------------------------|-------------------------------|----------------------------------|----------------|--------------|---------------------|----------------------------|
| Federal | | | | | | |
| Withholding | | | | | | |
| FICA-Employee | | | | | | |
| FICA-Employer | | | | | | |
| Unemployment | | | | | | |
| Income | | | | | | |
| Other: | | | | | | |
| Total Federal Taxes | | | | | | |
| State and Local | | | | | | |
| Withholding | | | | | | |
| Sales | | | | | | |
| Excise | | | | | | |
| Unemployment | | | | | | |
| Real Property | | | | | | |
| Personal Property | | | | | | |
| Other: | | | | | | |
| Total State and Local | | | | | | |
| Total Taxes | 0 | 0 | 0 | 0 | 0 | 0 |

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

As of July 31, 2018

| | Current | 0-30 | 31-60 | 61-90 | Over 90 | Total |
|---|---------|------|-------|-------|---------|-------|
| Accounts Payable | | | | | | |
| Wages Payable | | | | | | |
| Taxes Payable | | | | | | |
| Rent/Leases-Building | | | | | | |
| Rent/Leases-Equipment | | | | | | |
| Secured Debt/Adequate Protection Payments | | | | | | |
| Professional Fees | | | | | | |
| Amounts Due to Insiders* | | | | | | |
| Other: | | | | | | |
| Other: | | | | | | |
| Total Postpetition Debts | 0 | 0 | 0 | 0 | 0 | 0 |

Explain how and when the Debtor intends to pay any past-due postpetition debts.

* "Insider" is defined in 11 U.S.C. Section 101(31).

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

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Chapter 11
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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

July 31, 2018

| Accounts Receivable Reconciliation | | Amount |
|--|--|---------------|
| Total Accounts Receivable at the beginning of the reporting period | | - - |
| + Amounts billed during the period | | - - |
| - Amounts collected during the period | | - - |
| Total Accounts Receivable at the end of the reporting period | | - - |
| Accounts Receivable Aging | | Amount |
| 0 - 30 days old | | - - |
| 31 - 60 days old | | - - |
| 61 - 90 days old | | - - |
| 91+ days old | | - - |
| Total Accounts Receivable | | - - |
| Amount considered uncollectible (Bad Debt) | | - - |
| Accounts Receivable (Net) | | - - |

DEBTOR QUESTIONNAIRE

| Must be completed each month | Yes | No |
|---|------------|-----------|
| 1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below. | | X |
| 2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below. | | X |
| 3. Have all postpetition tax returns been timely filed? If no, provide an explanation below. | N/A | N/A |
| 4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below. | X | |
| 5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3. | | X |

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